



VIRGINIA DEPARTMENT OF BUSINESS ASSISTANCE
Connecting Businesses with Resources

MEDIA RELEASE
July 31, 2007

Contact: Nina Sims
(804) 371-0371
nina.sims@vdba.virginia.gov

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
TEAMS UP WITH BANKS TO SERVE MINORITY BUSINESSES**
~ Partnering Banks Meet Financing Needs of Minority Business Communities ~

RICHMOND – The Virginia Small Business Financing Authority (VSBFA) of the Virginia Department of Business Assistance (VDBA), and the Virginia Department of Minority Business Enterprise (DMBE) recently announced that they have partnered with Consolidated Bank & Trust Company and Security One Bank to offer the Virginia Capital Access Program (VCAP) and the Providing Access to Capital for Entrepreneurs (P.A.C.E.) Program to further assist small, women, and minority-owned businesses in accessing the capital they need for start-up and expansion.

“This is a historic partnership,” said Virginia Department of Business Assistance Director Louisa Strayhorn. “This is just one of many ways the state is supporting the enhancement of Virginia’s small, woman and minority-owned business communities. Our intention is that more minority-owned firms will be able to access the capital they need to operate successful ventures.”

VSBFA’s/VDBA’s VCAP program and DMBE’s P.A.C.E. program both strive to provide increased access to capital for Virginia businesses by encouraging banks in Virginia to make loans to businesses that they might otherwise not make due to a perceived higher risk profile.

Security One Bank is the first commercial bank in the Greater Washington Metropolitan area in almost 30 years whose major focus is serving the underserved Hispanic community.

Now serving Richmond and Peninsula regions, Consolidated Bank & Trust Company has served the financial needs of Virginians for more than 100 years. Maggie Lena Walker established the bank in Richmond in 1903 as the St. Luke Penny Bank. Consolidated is the first financial institution founded and led by a woman in the United States.

The VCAP and P.A.C.E. programs utilize an insurance concept on a portfolio of loans – unlike other government guarantee programs which provide a guaranty on a specific loan. The program establishes a loan loss reserve at each participating bank – which is funded by enrollment

-more-

premiums paid by the borrower, the bank and the VSBFA. Because the participating bank determines what loans to enroll without the VSBFA's involvement, the program is a flexible, non-bureaucratic tool to assist banks in meeting the financial needs of Virginia businesses.

As an incentive for bank participation, the VSBFA is providing a double match on the enrollment fee for the first \$1 million of loans the bank enrolls as well as a continuing double match for loans to businesses owned by those who are considered economically or socially disadvantaged, which includes most minority-owned firms.

Small, women, and minority-owned businesses in the Richmond and Hampton markets that feel they need the assistance of these two programs should contact Consolidated Bank & Trust at 804-771-5213 (Richmond area) or 757-722-2400 (Hampton area). Those in the Greater Washington Metropolitan Area should contact Security One Bank at (703) 845-2700.

The Virginia Department of Business Assistance (VDBA) administers the programs of the VSBFA. VDBA supports economic development in the Commonwealth by working with new and existing businesses to provide workforce incentives, loans, business information, procurement assistance incubator counseling, and educational opportunities for the business and economic development communities. VDBA also administers the Virginia Business Information Center (VBIC), which provides answers and solutions to business related inquiries. VBIC can be contacted by calling (804) 371-0438, (866) 248-8814 (toll free), or by e-mailing VBIC@VDBA.VIRGINIA.GOV.

###